

Message Text

CONFIDENTIAL

PAGE 01 TEHRAN 08804 150656Z

20

ACTION NEA-12

INFO OCT-01 ISO-00 EB-11 SCEM-02 TRSE-00 SS-20 INT-08

RSC-01 L-03 COME-00 NSC-10 DRC-01 CIAE-00 INR-10

NSAE-00 /079 W

----- 010630

P 131148Z DEC 73 ZDK

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC PRIORITY 4802

C O N F I D E N T I A L TEHRAN 8804

E.O. 11652: GDS

TAGS: ENRG IR

SUBJ: JOINT VENTURE ROYALTIES: SITREP

REF: A. STATE 241265; B) TEHRAN 6819; C) TEHRAN 6499

1. IPAC PARTNER AMOCO HAS AGREED PAY ROYALTIES EFFECTIVE SEPT 1, 1973, THOUGH FIRST PAYMENT DEFERRED TO JANUARY 1974. MANSOURI OF FINMIN HAS WRITTEN LETTER TO AMOCO ANNOUNCING NEW POSTED PRICES IN LINE WITH NOV. 1 OPEC PERSIAN GULF POSTINGS. AMOCO HAS REPLIED THAT THEY DO NOT AGREE WITH THOSE POSTINGS AND HAS PROPOSED DIFFERENT ONES. MANSOURI IN TURN REPLIED THAT GULF PRODUCERS NOW SET PRICES UNILATERALLY. AMOCO HAS DRAFTED REPLY STATING THAT THEY HAVE AGREEMENT WITH NIOC THAT SAYS POSTINGS MUST BE AGREED BY BOTH SIDES. THEY HAVE NOT YET DECIDED WHETHER TO SEND THIS LETTER.

2. IPAC HAS ALSO AGREED TO MAKE QUARTERLY (RATHER THAN ANNUAL) TAX PAYMENTS. AMOUZEGAR INSISTS ABOVE POINTS WERE NON-NEGOTIABLE. HOWEVER HE HAS INDICATED HE DISPOSED TO LISTEN TO AMOCO ON TWO OTHER POINTS: A) HE INVITED AMOCO TO SUBMIT ARGUMENTS AND AN OFFER TO HIM FOR SETTLEMENT OF GOI CLAIMS FOR LOSSES ON AMOCO TAX PAYMENTS DUE TO DOLLAR DEVALUATION. AMOCO HAS DONE THIS, OFFERING \$250,000 IN SETTLEMENT OF GOI CLAIMS OF \$2,500,000, BUT HAS AS YET RECEIVED NO ANSWER; B) AMOCO DESIRES TO REDEFINE BOUNDARIES OF ARDESHIR FIELD, WHICH IS PRESENTLY UNDER

CONFIDENTIAL

PAGE 02 TEHRAN 08804 150656Z

DEVELOPMENT. SINCE AMOCO HAS RELINQUISHED ALL AREAS OUTSIDE ITS

KNOWN FIELDS, AND SINCE IT NOW HAS INDICATIONS ARDESHIR IS LARGER THAN ORIGINALLY THOUGHT, IT WOULD LIKE TO RECOVER SOME RELINQUISHED AREA. AMOUZEGAR IS AMENABLE, BUT THIS IS NIOC'S TERRITORY.

3. LAPCO PARTNERS (ARCO, SUN, UNION AND MURPHY) HAVE INDICATED TO MANSOURI THAT THEY WILL PAY ROYALTIES ONLY IF GIVEN SOME QUID PRO QUO. THEY HAVE ALSO RECEIVED NEW POSTED PRICE FROM MANSOURI, BUT LAPCO BOARD HAS NOT YET APPROVED IT.

4. IMINOCO PARTNERS (PHILLIPS, AGIP, OIL AND GAS COMMISSION OF INDIA) HAVE AGREED TO PAY ROYALTIES BEGINNING IN JANUARY BUT EFFECTIVE SEPT. 1, 1973. THEY HAVE ASKED FOR ASSISTANCE IN THE FORM OF A DISCOUNT OFF POSTED PRICE DUE THEIR VERY HIGH COSTS (WELL OVER \$1.30 PER BARREL) AND MANSOURI HAS INDICATED THIS WILL BE CONSIDERED. THEY HAVE ACCEPTED NEW POSTED PRICE OF \$5.173 FOR ROSTAM/RAKSHSH CRUDE.

5. SIRIP HAS AGREED TO MAKE ROYALTY PAYMENTS. WE DO NOT KNOW WHETHER THEY HAVE REQUESTED ANY SPECIAL CONSIDERATION. ALL JOINT PRODUCING COMPANIES WILL OF COURSE PAY ROYALTIES BASED ON POSTINGS WHEN THESE MATTERS HAVE BEEN SETTLED.

HELMS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, ROYALTIES, JOINT VENTURES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 DEC 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: collinp0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TEHRAN08804
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: TEHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731226/aaaaasvu.tel
Line Count: 83
Locator: TEXT ON-LINE
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. STATE 241265; B) TEHRAN 6819; C), TEHRAN 6499
Review Action: RELEASED, APPROVED
Review Authority: collinp0
Review Comment: n/a
Review Content Flags:
Review Date: 27 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27-Dec-2001 by shawdg>; APPROVED <08 MAR 2002 by collinp0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: JOINT VENTURE ROYALTIES: SITREP
TAGS: ENRG, IR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005